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TRADE AND DEVELOPMENT BOARD
Forty-third session
Geneva, 7 October 1996

Sessional Committee II

DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. Petko Baev (Bulgaria)

INTRODUCTION - AGENDA ITEMS 6,7 AND 10

Speakers: UNCTAD secretariat
Morocco (African Group)
Argentina (Latin American and Caribbean Group)
Philippines (Asian Group)
China

Note for Delegations

This draft report is a provisional text circulated for clearance by delegations.

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INTRODUCTION

1. At its 875th (opening) plenary meeting, on 7 October 1996, the Trade and Development Board decided to establish a sessional committee of the whole to consider and report on the following items:

"Review of technical cooperation activities of UNCTAD" (agenda item 6);

"Matters requiring action by the Board in follow-up to the ninth session of the Conference and arising from or related to reports and activities of its subsidiary and other bodies: Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation" (agenda item 7(b));

"UNCTAD's publication policy" (agenda item 10);

"Coordination and cooperation between UNCTAD and relevant international organizations" (agenda item 10).

2. At its first and resumed first meeting, on 7 October 1996, Sessional Committee II elected Mr. Markus Kummer (Switzerland) as its Chairman and Mr. Petko Baev (Bulgaria) as its Vice-Chairman-cum-Rapporteur.

3. During the Board's session, Sessional Committee II held ... formal and ... informal meetings.

Chapter I

REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

(Agenda item 6)

4. For its consideration of this item, Sessional Committee II had before it the following documentation:

"Review of technical cooperation activities of UNCTAD - report by the UNCTAD secretariat" (TD/B/43/7).

5. Introducing the item, the **representative of the UNCTAD secretariat** said that this was the first time that the Board was itself undertaking the regular review of technical co-operation, and this represented recognition of the importance given to the issue at UNCTAD IX. The level of UNCTAD's technical co-operation expenditures had been roughly constant over the past few years, and this was expected to continue through 1997. A decline in UNDP funding had occurred, with a corresponding increase in trust funds. The share of expenditure on LDCs had decreased, while the share for the economies in transition had increased. He suggested that the discussion should focus on the issues arising out of UNCTAD IX (chapters III and IV of document TD/B/43/7), rather than on a programme-by-programme review, which could be handled by the Working Party on the Medium-term Plan and Programme Budget in a manner to be determined.

6. The representative of **Morocco**, speaking on behalf of the **African group**, noted with concern that over the past four years there had been a decline in the share of technical co-operation accruing to the LDCs and to Africa. While this state of affairs was not due to deliberate action by the secretariat, the latter should take more active steps to palliate these negative developments. The African Group had also noted the decrease in UNDP funding in Africa, as well as the relatively small number of country projects as distinct from regional projects, and in that connection it felt that country projects had a more immediate and concrete impact.

7. While welcoming the increase in the share of technical cooperation accounted for by services infrastructure and trade efficiency, as well as the continuing positive trends in the area of global interdependence, including debt management, the African group was preoccupied by the weakening of programmes on commodities, science and technology and economic co-operation among developing countries. Investment and competition policy should also receive particular attention.

8. His Group appreciated the integrated UNCTAD/WTO/ITC programme in Africa within the framework of the follow-up to the Uruguay Round. In that connection, and in the context of cooperation among organizations, the fear of duplication should not be allowed to stifle initiatives, and coordination should seek to achieve complementarity while avoiding immobility.

9. On project evaluation, the desirability of specifying precise targets when formulating a project was supported. Concerning the mobilization of resources, the increase in funding from the European Commission and other contributors to trust funds was welcome, but the decrease in UNDP support was a cause for concern. It was hoped that that decline would be halted and that the transparency and sufficiency of funding called for in paragraphs 95 and 96 of the "Partnership for growth and development" would be achieved.

10. The African group attached particular importance to ensuring coherence between UNCTAD's analytical work and its operational activities. The latter should be determined by the priorities set by UNCTAD IX and the intergovernmental machinery, and part of the regular budget should be allocated to operational activities to ensure predictability. Concerning the three-year plan, the resource problem could be solved by the use of three-year indicative planning figures, while demand could be estimated through the use of questionnaires sent to beneficiaries and needs evaluation missions. Finally, the African Group supported the Secretary-General's presentation on the LDC Trust Fund. Commitment on the part of donors and all member States according to their means should allow the Trust Fund to meet its objectives.

11. The representative of **Argentina**, speaking on behalf of the **Latin American and Caribbean Group**, said that technical cooperation was universal in nature and must benefit all developing countries, taking into account the priority attached to certain programmes, such as those concerning LDCs. In this context, his Group expressed its concern that during the years 1992-1995, the share of technical cooperation expenditures in Latin America and the Caribbean - like the share of Asia and the Pacific and Africa - had decreased, whereas the share of expenditures in Europe had increased more than twelvefold. The countries in his region needed more technical cooperation than ever to prepare for and benefit from the globalization process.

12. His Group supported UNCTAD's technical cooperation activities, particularly those on debt management (DMFAS), EMPRETEC 21 and ASYCUDA. Such programmes should be continued and should be funded from the regular budget to give them a solid foundation in the secretariat.

13. In order to obtain a full picture of the situation with regard to technical cooperation resources in the UNCTAD secretariat and to be in a position to make further suggestions on technical cooperation policy and implementation, his Group requested information on the following from the secretariat: the number of staff members (professional and general service) to be assigned to technical cooperation programmes, along with their names and grades; the staff paid from the regular budget; the staff paid from extrabudgetary resources; the extent to which overheads were redistributed to the division undertaking the programme concerned; and the number and method of funding of technical cooperation consultants.

14. Finally, he indicated his Group's support for the Trade Efficiency Programme. The Global Trade Point Network would help developing countries to enhance their participation in international trade and gain greater access to trade-related information.

15. The representative of the **Philippines**, speaking on behalf of the **Asian Group**, regretted that the calendar had not allowed the Working Party on the Medium-term Plan and Programme Budget to meet to undertake a thorough review of UNCTAD's technical cooperation activities. As stated at UNCTAD IX, these activities were an essential complement to the institution's analytical and deliberative work. Activities which were particularly appreciated included ASYCUDA, TRAINMAR, DMFAS, FORINVEST, EMPRETEC and TRAINS. Seminars and workshops on the follow-up to the Uruguay Round had also been particularly valuable.

16. UNCTAD IX had taken important decisions as regards technical cooperation, and these needed to be implemented. Although none of the programmes pursued in 1995 fell outside the priorities set in Midrand, some of the areas identified as priorities - such as commodity diversification and issues related to the new global trading environment - were barely touched by current programmes.

17. The decline in UNDP funding was disturbing. While the increased contributions of countries and agencies to trust funds was appreciated, they meant more administrative work and influenced the distribution of expenditures, for example among different regions. Increased resources must be made available to support UNCTAD's technical cooperation, and UNDP must be persuaded that sustainable human development could be promoted through increased trade and investment. The Asian Group hoped the LDC trust fund would be established as soon as possible, and it appealed to donor countries to contribute to the fund generously. Donor countries should be encouraged to send associate experts to UNCTAD, including experts recruited from developing countries.

18. Technical cooperation programmes and projects should have action-oriented objectives and be evaluated in terms of their impact on capacity-building. UNCTAD should also enhance its cooperation with other international institutions so as to create more synergies and avoid duplication.

19. Linkages between technical cooperation and policy analysis should be enhanced. The Commissions would have an important role to play in ensuring the effectiveness and relevance of technical cooperation. Arrangements for an indicative plan for technical cooperation could be considered by the Working Party in the context of its examination of the programme budget. The preparation of a rolling three-year plan for technical cooperation could start in the first instance with a statement of priorities. Finally, a strengthened technical cooperation programme would demonstrate the relevance of UNCTAD in addressing the practical problems of trade and development.

20. The representative of **China** said that UNCTAD's technical cooperation had made an active contribution to the development of developing countries. However, the increasing demand for cooperation could not be met due to the lack of financial resources. He particularly noted the decline in UNDP resources made available to UNCTAD, and he called for donors and international organizations to continue and increase their financial support.

21. He noted the decrease in the share of activities in developing countries, particularly in LDCs, and suggested that the demands of developing countries should be given top priority and that a more appropriate balance should be achieved between regions. The goals and principles set out in paragraph 95 of the "Partnership for Growth and Development" should be fully implemented. As issues became increasingly cross-sectoral in the context of globalization and liberalization, UNCTAD should intensify its cooperation with other international organizations, particularly WTO and ITC.

22. China expressed its appreciation to UNCTAD for its technical cooperation, which had played an active role in the country's reforms, opening-up and economic development. Technical cooperation was one of the major responsibilities of UNCTAD, and it should be strengthened and improved. He believed all member States and international organizations would provide appropriate support in this respect.

Informal meetings

23. Sessional Committee II pursued its consideration of this item in informal meetings.

Chapter II

MATTERS REQUIRING ACTION BY THE BOARD IN FOLLOW-UP TO THE NINTH SESSION OF THE CONFERENCE AND ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES

(Agenda item 7)

Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation

(Item 7(b))

24. For its consideration of this item, Sessional Committee II had before it the following documentation:

> "Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation - Note by the UNCTAD secretariat" (TD/B/43/CRP.3).

25. Introducing the item, the **representative of the UNCTAD secretariat** said that the question of the participation of developing countries' experts in UNCTAD meetings had been discussed at the recent consultations of the Bureau of the Trade and Development Board. Further to the decision taken at the consultations, the UNCTAD secretariat had prepared a conference room paper outlining the views expressed at the consultations and indicating the options available in the matter (TD/B/43/CRP.3).

Informal meetings

26. Sessional Committee II pursued its consideration of this item in informal meetings.

Chapter III

OTHER BUSINESS

(Agenda item 10)

A. Review of UNCTAD's publication policy

27. For its consideration of this subitem, Sessional Committee II had before it the following documentation:

"Review of UNCTAD's publication policy - note by the UNCTAD secretariat" (TD/B/43/CRP.4).

28. Introducing the subitem, the representative of the UNCTAD secretariat said that the Board's review of the organization's publication policy was being conducted further to paragraph 107(a) of "A partnership for development" (TD/377). In addition to the Board's review, the General Assembly would be conducting a review of the publications policy of the United Nations Secretariat as a whole at its fifty-first session, and the issue of publications was also being considered in the context of the Secretariat-wide efficiency review mandated by the Secretary-General of the United Nations earlier in the year.

29. As indicated in document TD/B/43/CRP.4, the Secretary-General of UNCTAD had set up a publications task force to look into every aspect of UNCTAD's publication policy and practice. Since the task force would need some time to complete its work and since it would not in any case be able to do so until the General Assembly had completed its own review in December 1996, it would be reporting to the Secretary-General of UNCTAD in March 1997. The current review by the Board should therefore be seen as the beginning of a process, and it was hoped that the Board would provide the UNCTAD secretariat with guidance and endorse the approach outlined in TD/B/43/CRP.4.

Informal meetings

30. Sessional Committee II pursued its consideration of this subitem in informal meetings.

B. Coordination and cooperation between UNCTAD and relevant international organizations

31. Introducing the item, the **representative of the UNCTAD secretariat** said that the Secretary-General of UNCTAD attached the highest priority to the issue of coordination and cooperation with other organizations, and the guiding principles underlying such cooperation were the avoidance of duplication and the creation of synergies. The Secretary-General was following both a top-down and a bottom-up approach, with regular meetings at the head-of-agency level and ongoing contact at the working level. The result was a high level of cooperation and trust.

32. In providing the Board with information on UNCTAD's cooperation with other international organizations, the secretariat had tried to strike a balance between comprehensiveness on the one hand and relevance and interest on the other. Particular reference should be made to the cooperation which UNCTAD was developing on a regular basis with the World Bank, WTO, UNIDO, ITC, OECD, the Common Fund for Commodities, and other relevant branches of the UN Secretariat, in particular the regional commissions. A great deal had already been achieved, but of course much still remained to be done.

Informal meetings

33. Sessional Committee II pursued its consideration of this subitem in informal meetings.

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DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. Petko Baev (Bulgaria)

Item 6 (continued)

Speaker: Algeria

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Chapter I

REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

(Agenda item 6)

(Continued)

The representative of **Algeria** congratulated UNCTAD for its technical cooperation programme in the Arab countries. Her country had been a beneficiary of the programme and had learned much from it. It was obvious that the complexity of the issues dealt with by WTO, which had often placed the developing countries in a difficult position, would inevitably give rise to requests for technical assistance from developing countries wishing to gain a better understanding of the results of the Uruguay Round, their implementation and the resulting obligations. It was therefore essential to expand inter-organizational cooperation and increase the synergy between UNCTAD and WTO, since this would facilitate the integration of developing countries into the world trading system, which was not only one of the key objectives of UNCTAD IX but also an internationally agreed goal. Sufficient resources must therefore be made available, and UNCTAD and WTO must strengthen their mutual cooperation in this particular area.